



P.O. Box 261595 Hartford, CT 06126 860.280.2023 www.ctmainstreet.org

Date: February 17, 2010
Testimony of: John Simone, President & CEO
To: Appropriations Committee
Re: Please keep the remaining resources for historic preservation in place

Senator Harp, Rep. Geragosian and members of the Appropriations Committee. I am writing to urge you to reinstate Governor Rell's proposed mid-term adjustments that target a 40% reduction to the CT Trust for Historic Preservation's and the CT Humanities Council's line items which fund CT Trust's Historic Preservation Technical Assistance Grant (HPTAG) program. This 40% cut is in addition to a 15% cut that has already been made.

The HPTAG program funds numerous historic preservation initiatives throughout the state and historic preservation creates jobs (something our state desperately needs at this time), brings vacant buildings back on the tax rolls and adds value and vitality to adjacent buildings and neighborhoods. For every one million dollars spent in manufacturing 23.9 jobs are created, for new construction its 30.6 jobs and for the rehabilitation of historic buildings its 35.4 jobs. Historic buildings and places attract heritage tourists who stay longer and spend more money per day than other types of tourists.

Perhaps those of us who work in historic preservation need to make a better case regarding the economic impact of our work. Donovan Rypkema, one of the world's leading economists on historic preservation makes the case well in relation to his reaction to the Obama administration's proposal to eliminate the Preserve America and Save America's Treasures programs.

The reason given by administration officials was that both programs lack rigorous performance metrics and evaluation efforts so the benefits are unclear. So Mr. Rypkema did his own research on these programs and, using the same economic impact model as does the Department of Commerce, came up with the following information:

- Between 1999 and 2009 the Save America's Treasures program alone provided \$220 million for the restoration of nearly 900 historic structures. This investment generated more than \$330 million from other sources and created 16,012 jobs (he counted these full-time equivalent jobs in the same manner as the Stimulus Program does). The cost per job created was \$13,780. This compares with the White House announcement that the Stimulus Package is creating one job for every \$248,000. As Mr. Rypkema puts it on his website, "Whose program is helping the economy?"
- Rypkema goes on to say that "most of the developed countries in the world had a major historic preservation component in their stimulus packages. Why? jobs, job training, local impact, labor intensity, long term investment, etc. Historic preservation element in the US stimulus plan? \$0."

Here is some economic impact information for historic preservation work here in Connecticut. Connecticut Main Street Center collects economic impact data from its designated Main Street programs whose missions are to build economically vibrant downtowns in their respective

historic districts. The data below represents on average 8 of our programs who have been in existence for an average of 10 years:

- In the last year, when the state and entire country have been losing jobs and businesses at alarming rates, collectively our CT Main Street districts have seen a 4% increase in net new businesses and a 2% increase in net new jobs
- Annually, these net new businesses and jobs are providing the state with \$4.7 million in increased sales taxes and \$1.5 million in increased state income taxes respectively
- The municipalities are receiving an additional \$85 million annually from the increased property taxes generated by building rehabilitations and infill development projects

We all understand that budgets at all levels of government and the private sector are facing significant challenges. We know we are going to have to make difficult choices and the choices we make will have long-term consequences right or wrong. We can only make the right choices if we make sure we allocate what resources we do have to the right strategic priorities. Investing in our historic assets is the right strategic priority.

The Connecticut Main Street Center is a statewide nonprofit agency. Our mission is to help build economically vibrant traditional main streets as a foundation for healthy communities and we carry out our mission by providing training, technical assistance and by advocating for downtown-friendly policies. CMSC and our members are well positioned to support the challenging work of rebuilding a sustainable economy in the state.